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Message Text

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PAGE 01 STATE 070401
ORIGIN EUR-12

INFO OCT-01 ISO-00 EB-08 /021 R

DRAFTED BY EUR/WE:EMROWELL:MS
APPROVED BY EUR/WE - EDWARD M. ROWEL
----------047897 190552Z /15
R 181222Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY VALLETTA

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E.O. 11652: NA

TAGS: EINV, MT

SUBJECT: BROWN AND ROOT IN MALTA

REF: VALLETTA 488

1. EUR/WE FINALLY REACHED POWELL IN LONDON MARCH 16. POWELL REGRETTED THAT IN HIS LAST STAY IN MALTA "ABOUT TWO WEEKS AGO", HE HAD BEEN SO RUSHED HE HAD NOT HAD TIME TO STOP BY TO BRIEF AMBASSADOR. HE SENDS REGARDS.

2. POWELL SAID HE HAD NOT RPT NOT SEEN MINTOFF, BUT HAD EXPLAINED THE FOLLOWING TO CASSAR OF MALTA DEVELOPMENT CORP.:

A. IT HAD NEVER BEEN BROWN AND ROOT'S INTENTION TO START THE TRAINING OR SUB-ASSEMBLY INVESTMENTS WITHOUT FIRST HAVING FIRM CONTRACTS SIGNED FOR CONSTRUCTION PROJECTS IN NORTH AFRICAN COUNTRIES. (POWELL SAID CASSAR ORIGINALLY SEEMED TO HAVE MISUNDERSTOOD THE BROWN AND ROOT PROPOSAL, THINKING THEY WOULD MAKE THE INVESTMENTS
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IN ANTICIPATION OF POSSIBLE CONTRACTS.)

B. BROWN AND ROOT HAS BID ON SEVERAL NORTH AFRICAN PROJECTS SINCE LAST FALL, BUT SO FAR HAS BEEN UN-SUCCESSFUL. THE LAST BID WAS LOST TO AN ITALIAN FIRM. BROWN AND ROOT WILL KEEP TRYING.

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C. AS SOON AS BROWN AND ROOT WIN A CONTRACT REQUIRING
A "LARGE NUMBER" OF SKILLED WORKERS, THEY WILL SET UP
A TRAINING FACILITY IN MALTA. (POWELL SAID "LARGE"
MEANS ONE HUNDRED OR MORE. FOR FEWER SKILLED WORKERS,
E.G. "TWENTY OR THIRTY", THEY CAN HIRE FROM THE
EXISTING POOL OF UNEMPLOYED/UNDEREMPLOYED LABOR IN MALTA.)

D. THE CONCEPT OF A SUB-ASSEMBLY OPERATION IN MALTA
WILL HAVE TO BE SOLD TO BROWN AND ROOT CLIENTS IN THE
ARAB COUNTRIES. ONCE THEY HAVE A CLIENT THEY THINK
IT WILL BE EASY TO SHOW THAT IT IS CHEAPER TO SUB-
ASSEMBLE IN MALTA THAN TO DO THE WHOLE ASSEMBLY IN
THE DESERT.

3. POWELL ADDED FOLLOWING COMMENTS:

A. CASSAR WAS "NOT RPT NOT DISSATISFIED" WITH POWELL'S
PRESENTATION.

B. BROWN AND ROOT HAS TRIED TO BE HELPFUL TO THE GOM
IN OTHER WAYS. AFTER CONSULTING WITH THE MAYOR OF
HOUSTON, THEY HAVE FOUND A CANDIDATE TO BE HONORARY
MALTESE CONSUL FOR TEXAS.

C. ELIAS (PHONETIC) LEFT MALTA BECAUSE THERE WAS
NOTHING FOR HIM TO DO INSASMUCH AS BROWN AND ROOT
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HAS BEEN UNABLE TO NAIL DOWN CONTRACTS. VANCE

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